Learn about trends in the Restaurant Business and where to find more info about how to open your own Restaurant Business. Don’t forget you can receive free or low-cost training and free professional business advice, from your local Small Business Development Center!

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**Full-Service Restaurant Business Overview & Trends, 2018**

**NAICS Code: 722511, SIC Code: 5812**

This [Restaurant industry summary is from First Research](https://www.firstresearch.com) which also sells a full version of this report.

Companies in this industry operate restaurants and other eating places, including full-service restaurants (FSRs), quick-service restaurants (QSRs), cafeterias and buffets, and snack bars. Major companies include Bloomin’ Brands, Darden Restaurants, McDonald’s, Starbucks, and YUM! Brands (all based in the US), as well as Greggs (the UK), Jollibee Foods (the Philippines), Skylark (Japan), and Restaurant Brands International (Canada).

**COMPETITIVE LANDSCAPE**

Restaurants are adopting new technologies and services to compete for consumers who increasingly value convenience. Mobile payments, online ordering, and home delivery are becoming more commonplace in both the full-service and limited-service segments of the industry. Pricing is also becoming a more important issue as customers are able to choose from a growing variety of dining options, including pre-packaged meals from outlets such as grocery stores, convenience stores, and coffee shops. Emerging competitors such as providers of subscription meal kits could further disrupt the industry in the future.

This [Restaurant business market research report summary is from Euromonitor](https://www.euromonitor.com) which also
In 2017, several long-standing full-service restaurants decided to reduce their menu sizes and focus on true favourites to bring customers back through their doors. In the case of Chili’s Grill & Bar, the brand returned to the days of burgers, ribs and fajitas, reducing its menu by 40%. Similarly, Ruby Tuesday tested a one-page lunch menu with new items at lower prices. The idea is that by removing certain low-use ingredients, the prep work will be simplified and reduced. Meanwhile, Denny’s revamped 50% of its menu in 2017. Outback Steakhouse hoped to make a splash by combining three of its appetiser favourites to produce the 3-Point Bloomin’ Onion.

In 2015, McDonald’s started offering all-day breakfast. A year later, the chain expanded its breakfast menu. In 2017, everyone else was playing catch-up. In May, Golden Corral announced a 7-Day brunch that features breakfast and lunch items and two new items, and earlier operating hours seven days a week. The Cheesecake Factory expanded its Sunday brunch to include Saturdays. For the first time ever, Maggiano’s updated its menu, adding 12 Italian-inspired items that focus on classic brunch dishes, including five versions of Eggs Benedict. Maggiano’s hopes to capitalise on the number of celebrations it hosts every year. One needs to look no further than the spike in Google searches for “breakfast” and “brunch” to understand the increased demand in 2017...

Affected by changing consumer trends and demographics, TGI Friday’s turned to a medium that speaks to younger generations. Releasing a tool on the popular voice-activated speaker Amazon Alexa has done just that, with the bonus of attracting many people who were not previously customers. The Alexa experiment from TGI Friday’s is just one example of full-service chains taking advantage of new technologies, as well as delivery. Delivery has become so popular that chains such as Red Robin have opened virtual or ghost restaurants that have been developed to focus on delivery. Mobile ordering, which has revolutionised all areas of consumer foodservice, has two positive effects for full-service restaurants; increasing both delivery and takeaway sales.

Restaurants are an important segment of the U.S. food services industry with a phenomenal impact on the U.S. economy. For 2017, the National Restaurant Association State of the Industry Report projects $799 billion in industry sales.

The Restaurant Industry Pocket Factbook from the National Restaurant Association further describes the size and impact of the industry:

- 1 million+: Restaurant locations in the United States.
$79,400 sales per FTE at eating and drinking places in 2016.
$992,000 average unit sales at full-service restaurants in 2014.

**Restaurant Business Customer Demographics**

IBISWorld reports on the major market segments for Single Location Full-Service Restaurants and Chain Restaurants. The full version of these reports are available for purchase.

- Both the chain restaurant and single location restaurant markets are segmented by age, geography, income, and household characteristics.
- On average, people spend 5.5% of their income eating out, but consumers with large discretionary incomes spend more at restaurants. The richest twenty percent in the US generates the largest amount of revenue for the industry overall, by far; however, they spend less money at chain restaurants than single location.
- Furthermore, age trends tend to be correlated with discretionary income. For this reason, baby boomers and young unmarried adults with no children spend more eating out than other age groups.
- Additionally, work and geographic trends have been increasing the demand for eating out. Time-strapped workers are eating out more to save time and will have meetings at chain restaurants at the expense of their respective companies. Business and government organizations were estimated to have accounted for 5.8% of chain restaurant revenues in 2017.

Additional information on restaurant customers can be found in a variety of trade associations and publications, including:

- [Restaurant Consumer Preferences](#)
- [Restaurant Consumer Trends](#)
- [Toast Consumer Statistics](#)
- [US Restaurant Consumer Trends](#)

**Restaurant Business Startup Costs**

According to a survey conducted by RestaurantOwner.com, the average restaurant startup costs are as follow:
Without land purchase

- $494,888 – total
- $4,244 – cost per seat
- $159 – cost per sq. ft.

With land purchase

- $735,326 – total
- $5,452 – cost per seat
- $178 – cost per sq. ft.

Restaurant Business Plans

- Fine Dining Restaurant Business Plan
- Restaurant Business Plan
- Restaurant Business Plan
- Restaurant Business Plan
- How to Write a Restaurant Business Plan

Restaurant Business Associations

Trade associations often are excellent sources of information on an industry. Here are some relevant industry associations:

- National Restaurant Association
- State Restaurant Associations – from the National Restaurant Association, drop down by state
- Green Restaurant Association
- Council of State Restaurant Associations
- Specialty Food Association
- National Food Truck Association

Restaurant Business Regulations

The section is created to provide a general awareness of regulations and agencies to consider when starting a Restaurant Business. Check with your state and municipality for
rules and regulations that may impact the business in your area.

- **State Retail and Food Service Codes and Regulations by State** from the U.S. Food & Drug Administration
- **Restaurant Regulations** from TOAST
- **Stay Safe in the Restaurant** from OSHA
- **Alcohol Laws by State** from the Federal Trade Commission

**Restaurant Business Publications**

- **Nation’s Restaurant News**
- **Restaurant Business**
- **Modern Restaurant Management**
- **Restaurant Startup & Growth**
- **Food Network Magazine**
- **Food and Wine Magazine**
- **Podcasts for Restaurateurs** from GrouponMerchant

**Restaurant Business Employment Trends**

The **National Restaurant Association Facts at a Glance** reports on the size of the restaurant workforce:

- 10%: Restaurant workforce as part of the overall U.S. workforce.
- 14.7 million: Restaurant industry employees.
- 1.6 million: New restaurant jobs created by the year 2027.

Labor costs are important factors for full service restaurant owners. Restaurants encompass a variety of jobs, the following are insights from the Bureau of Labor Statistics into the most customer-facing employees in restaurants, **waiters and waitresses**. A more specific breakdown of other **full-service restaurant occupations is available from the Bureau of Labor Statistics**.

**Pay**

The median hourly wage for waiters and waitresses was $10.01 in May 2017.
Work Environment

Waiters and waitresses work in restaurants, bars, hotels, and other food-serving and drinking establishments. Work schedules include early mornings, late evenings, weekends, and holidays. About half worked part time in 2016. During busy hours, they may be under pressure to serve customers quickly and efficiently.

Job Outlook

Employment of waiters and waitresses is projected to grow 7 percent from 2016 to 2026, about as fast as the average for all occupations. Job prospects are expected to be very good because of the many workers who leave their jobs each year. Candidates seeking employment at upscale restaurants may face strong competition for jobs.

Sources

For the full text of any content in this Small Business Market Research Report from SBDCNet, the link has been provided for the report publisher, while a database article can be obtained from the local public or academic library or purchased from a document delivery service for a nominal fee.

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